GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:441
ANSWERED ON:25.07.2000
LOSSES TO STEEL AUTHORITY OF INDIA LTD.
SRIKANTA DATTA NARASIMHARAJA WADIYAR

Will the Minister of STEEL be pleased to state:

(a) whether the Steel Authority of India Limited is running at losses;

(b) if so, the details of losses incurred by SAIL as on March 31, 2000;

(c) the reasons for the losses; and

(d) the steps taken to bring down the losses?

Answer

MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) & (b): Yes, Sir. Steel Authority of India Limited (SAIL) has incurred a loss of Rs.1720 Crores as on March 31, 2000.

(c) & (d): The heavy losses during 1999-2000 are mainly due to stress on margins arising out of sluggish demand for steel, greater competition from imports & enhanced supplies in domestic markets and higher interest and depreciation cost on account of capitalisation of modernisation of steel plants at Rourkela, Durgapur and Bokaro.

Government has recently approved a plan for the business and financial restructuring of SAIL, with a view to increase its competitiveness and to turn the company on to a path of profitability. It is also in constant dialogue with SAIL and periodically reviews its performance to increase its competitiveness and efficiency.